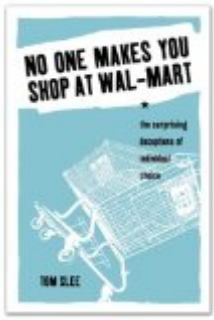


Why You Shop At Wal-Mart: Economics Eats Itself



There is a theory (quite an elegant one, actually) that says that because we live in a marketplace of free choices we end up getting basically what we want — our dollars are like votes for the society we wish to live in. Many have challenged this view, from a variety of perspectives, but Tom Slee (who calls this notion MarketThink) has chosen to focus on just one: the economic subfield of “game theory”.

In his elegant little book, the poorly-titled *No One Makes You Shop At Wal-Mart*, Slee walks through the major discoveries of game theory, explains them in simple language with reference to a fictional town of Whimsley, and discusses how they refute standard economic conclusions while still playing by basic economic assumptions with effects that appear to show up in the real world.

Take the problem of littering, for example. The town of Whimsley has a large park between its coffee shop and its office building. Residents can toss their empty coffee cups on the ground in the park, thereby saving themselves the trouble of carrying it but minutely spoiling the park, or they can carry it to the trash at the office, saving the park but bothering their hands. In the absence of anyone else, each resident is better off tossing their cup — the bother of carrying it is much more than the small amount of spoilage. But if everyone does this, the park is quickly full of litter. Each individual, acting perfectly rationally, creates a situation that none of them want.

A similar problem gives the book its title. Imagine you get some utility from having a vibrant downtown of independent shops. Then a Wal-Mart opens up on the outskirts of town. You begin shopping at the Wal-Mart because the prices are cheaper and you can still walk through the vibrant downtown when you like. But with everyone buying things at Wal-Mart, the downtown stores can no longer afford to stay open and the center of your city turns into an empty husk. You'd prefer to have the vibrant downtown to the Wal-Mart, but nobody ever gave you that choice.

The book is full of dozens of examples like this, each with careful analysis and clear writing. Perhaps the most odd feature of the book is its politics. On the one hand, Slee is plainly a committed leftist, with positive references to Naomi Klein and other capitalist critics. But on the other hand, he never gives up on the rational actor and methodological individualist assumptions of modern economics, and shows little patience for those (typically his political allies) who have more thorough-going critiques. Nonetheless, the book is a recommended read for anyone interested in these questions.

Online Bonus: Watch Tom Slee [eviscerate Chris Anderson's inbox-stuffer, *The Long Tail*](#) on his weblog, Whimsley. Because, remember folks, “Abundance, like growth itself, is a force that is changing our world in ways that we experience every day, whether we have an equation to describe it or not.” (p. 146)

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